From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <scsokolowskiiii@yahoo.com>
CC:	
Date:	Fri, 3/18/2016 7:33:36 PM
Subject:	Daily Update

Quote of the Day

"In my experience, most people who are lucky enough to sell something before it goes down get so busy patting themselves on the back that they forget to buy it back" – Howard Marks

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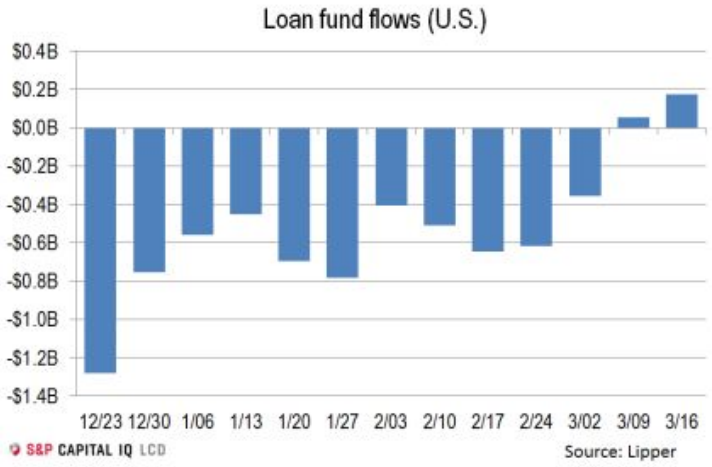
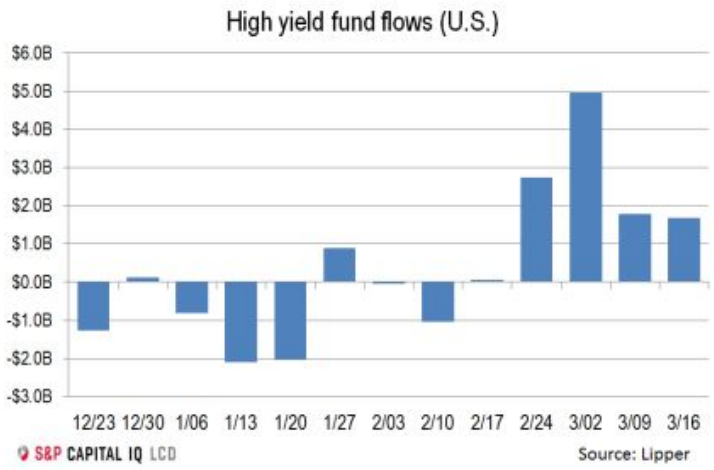
- TGIF. It should be another day of the same as the news and events calendar remains light. US futures are pushing gently higher as the 10 year chops around in the high 180s. Most risk around is leaning green this morning although Japan was weaker as their currency has been gaining strength over the past months. The Dow Jones Industrial Average is now positive year to date at 0.32% as risk assets are again approaching over bought levels..... Oil has been on a tear and is holding in well above $40 (thank you Janet, Mario and the IEA who announced that they cannot account for 800,000 barrels a day that they previously believed existed…). There are also stories making the rounds observing the recent performance of currencies and concerns that policy continues to lose its effectiveness. Wall of worry items to start thinking about (again) include second half growth and inflation prospects, ineffective policy, unwinding hedge funds, more defaults, etc…etc…etc… Have a good w/e. Futures: +8. 10 year: 1.87%

- Data: UofM: 90 (92.2 vs. exp.)

- Credit: A quiet morning but better bid again. It has been a very busy week in loans as the month of March was very good to the credit markets. The credit markets have experienced broad based beta rally over the past weeks (loans have been up for 16 days now.). Flows were positive for loans and HY this week. The HY number was very strong again and there have now been $11.52bn of retail inflows over the past month. We also continue to hear that SMA inflows continue. Another topic of conversation is the potential of the CLO market to restart…. In other news, yesterday's BWIC saw a 94% clearing rate with most names being lifted at mid-market+ levels. On-Semi broke for trading yesterday. The issue was flexed tighter and broke 1.5% higher. Thank you very much…

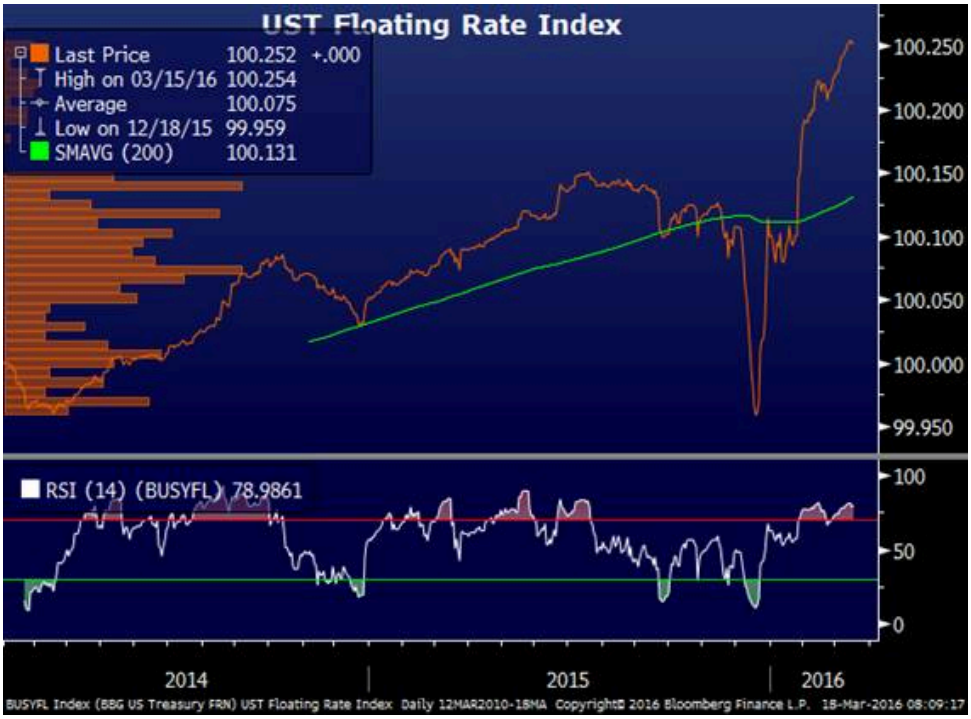




- Charts of the day:

Inflation?

Buy Loans!



Not what the ECB and BoJ where hoping for (just a guess…)

Commodities

Oil

Ouch (you can't participate in a rally when you are sitting in cash…). It's good to know that there is some rally juice left too…

- Other:
  - Hedge fund closures return to crisis highs http://seekingalpha.com/news/3168309-hedge-fund-closures-return-crisis-highs
  - Really?! Who knew?... http://www.nytimes.com/2016/03/18/business/dealbook/study-finds-public-pension-promises-exceed-ability-to-pay.html?ref=dealbook&_r=0
  - Uncle Sam coming after the Activists? Who's next? http://www.nytimes.com/2016/03/18/business/dealbook/2-senate-democrats-introduce-bill-to-curb-activist-hedge-funds.html?partner=rss&emc=rss
  - The madness of crowds… http://www.ft.com/intl/cms/s/0/a03a7768-ec67-11e5-bb79-2303682345c8.html?siteedition=intl&ftcamp=published_links%2Frss%2Fhome_us%2Ffeed%2F%2Fproduct#axzz43G9x3bzg
  - Good Ole St. Paddy =>

- HY: 102 7/8 (-)
- IG:83 15/16 (+1/8)
- CSLLI: 2.03% mtd / 0.72% ytd

Stan Sokolowski
Senior Portfolio Manager, Head of Portfolio Management and Trading
CIFC Asset Management LLC
250 Park Avenue, 4th Floor | New York, NY 10177
☎ (D) +1 212.624.0931 | (C) +1 203.918.3022
✉ ssokolowski@cifc.com | www.cifc.com

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